Policy changes to promote the Industry is a continuous process and measures to promote the industry are taken from time to time to meet the changing requirements of the economy.

Incentives to industrial units under the Scheme for Growth Centres

2098. SHRI SURESH PACHOURI:
SHRI MAHENDRA PRASAD:

Will the Minister of INDUSTRY be pleased to state:

(a) what are the incentives and fiscal concession granted to industrial units to be set up under the scheme for growth centres and how the same compare with the incentives earlier given under industrially backward areas development scheme; and

(b) what are the criteria followed for locating growth centres in different parts of the country and how the same compare with the criteria followed earlier to identify industrially backward areas for grant of incentives under S.80 HH of the Income-Tax Act?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) Under the new growth centre scheme, the selected growth centres will be entitled to all incentives available from time to time for centrally declared Category 'B' backward areas. In addition, the growth centres will be provided with infrastructural facilities of a high order to act as magnets for attracting industries to backward areas.

(b) Identification of industrially backward areas for the purpose of incentive schemes was done on the basis of guidelines given by the Planning Commission which *Inter-alia* included per capita foodgrains/Commercial Crops production as the case may be, ratio of population to agricultural workers, per capita industrial output, number of factory employees per lakh of population and per capita consumption of electricity.

Allocation of growth centres among States/UTs under the new scheme was done on the basis of area population and industrial backwardness. Actual locations of these growth centres are being decided keeping in view the distance criteria, proximity to District/Sub-divisional headquarters etc. and access to basic infrastructural facilities like National/ State highways, railheads, Power, Water Supply, telecommunication, health and educational institutions etc.

2099. [*Transferred to the* 29th *May*, 1990]

Industries not open for foreign investors

2100. SHRI SANTOSH BAGRODIA: Will the Minister of INDUSTRY be pleased to state:

(a) what are the industries which are not open to the foreign investors; and

(b) which are the areas where foreign investment is welcome?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) and (b) Government's policy with regard to foreign investment is selective and is based on national priorities. Foreign investment is permitted in sophisticated and high priority areas, in export oriented or import substitution manufacturing or for enabling indigenous industries to update existing technology to attain effeciency and competitive strength. Foreign investment is regarded as a vehicle for transfer of technology.

India's foreign collaboration policy has a substantial degree of flexibility and direct investment within this broad framework is welcomed.

There is an illustrative list of industries where no foreign collaboration, financial or technical is normally considered necessary. Requests for collaboration in these industries are generally not allowed unless these are justified with reference to the technology involved, availability of indigenous technology, potential for export earnings and the like. An illustrative list of such industries is attached as Statement.